Form (2) No. 1193-M
Dated 22.6.2000

The Myanmar Investment Commission

PERMIT

Permit No. 344 /2000 Date 22nd JUNE, 2000

The Name of the Company amended as per resolution made by MIC at its meeting 9/2003 dated 2.7.2003)
(Col Lin Thaw) Officer on Special Duty

The Myanmar Investment Commission issues this Permit under Section 10 of the Union of Myanmar Foreign Investment Law -

(a) Name of Promoter MANAGING DIRECTOR, MYANMA OIL & GAS ENTERPRISE

(b) Citizenship MYANMAR

(c) Address NO. 74/80, MINYEKYAWSWA ROAD, YANGON

The name of the company added as per resolution made by MIC at its meeting 15/2002 dated 10-5-2002
(Col Linn Thaw) Officer on Special Duty

(d) Name and address of principal organization MYANMA OIL & GAS ENTERPRISE, NO.74/80, MINYEKYAWSWA ROAD, YANGON

(e) Place of incorporation YANGON

(f) Type of business in which investment is to be made EXPLORATION AND PRODUCTION OF OIL AND GAS

(g) Place (s) at which investment is permitted RAKHINE OFFSHORE BLOCK A-1

(h) Amount of foreign capital US$ 26.1 MILLION

(i) Period for bringing in foreign capital 2000 TO 2006

Amended as per resolution made by MIC at its meeting 24/2001 dated 20.7.2001
(Col. Linn Thaw) Officer on Special Duty

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US$ 26.1 MILLION

(k) Permitted duration of investment 5½ YEARS

(l) Name of the economic organization to be formed in Myanmar ~~DAEWOO CORPORATION~~

DAEWOO INTERNATIONAL CORPORATION, KOREAGAS CORPORATION (KOGAS), ~~GAS AUTHORITY OF INDIA LIMITED (GAIL)~~, ONGC VIDESH LIMITED, GAIL (INDIA) LIMITED.

U Thaung

Chairman

The Myanmar Investment Commission

(၂-၇-၂၀၀၃)နေ့တွင် ပြုလုပ်သည့်ကော်မရှင် (၁၉/၂၀၀၃)အစည်း အဝေးဆုံးဖြတ်ချက်အရကုမ္ပဏီ အမည်ကိုပြင်ဆင်သည်။

(ဗိုလ်မှူးကြီးလင်းသော်)

စုစု(၂) စာအမှတ် ၁၁၉၄-၃ နေ့စွဲ ၂၂.၉.၂၀၀၀

မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

ခွင့်ပြုမိန့်

ခွင့်ပြုမိန့်အမှတ် ၃၄၄/၂၀၀၀ ၂၀၀၀ ခုနှစ်၊ ဇွန်လ ၂၂ ရက်။

အထူးအရာရှိ

ပြည်ထောင်စုမြန်မာနိုင်ငံတော် နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု ဥပဒေပုဒ်မ ၁၀ အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည် -

(က) ကမကထပြုသူ၏အမည် ဦးဆောင်ညွှန်ကြားရေးမှူး၊ မြန်မာ့ရေနံနှင့်သဘာဝဓါတ်ငွေ့လုပ်ငန်း

(ခ) မည်သည့်နိုင်ငံသား မြန်မာ

(ဂ) နေရပ်လိပ်စာ အမှတ်၇၄/၇၀၊ မင်းရဲကျော်စွာလမ်း၊ ရန်ကုန်မြို့

၁၀-၅-၂၀၀၂ နေ့တွင် ပြုလုပ်သည့်ကော်မရှင် (၁၅/၂၀၀၂)ကြိမ်မြောက် အစည်းအဝေးဆုံးဖြတ်ချက် အရကုမ္ပဏီအမည်တွင်ဖြည့်စွက်သည်။

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့်လိပ်စာ မြန်မာ့ရေနံနှင့်သဘာဝဓါတ်ငွေ့လုပ်ငန်း၊ အမှတ်၇၄/၇၀၊ မင်းရဲကျော်စွာလမ်း၊ ရန်ကုန်မြို့

(င) ဖွဲ့စည်းရာအရပ် ရန်ကုန်မြို့

(စ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်မည့်လုပ်ငန်းအမျိုးအစား ရေနံနှင့်သဘာဝဓါတ်ငွေ့ရှာဖွေတူးဖော်ထုတ်လုပ်ရေးလုပ်ငန်း

(ဗိုလ်မှူးကြီးလင်းသော်) အထူးအရာရှိ

(ဆ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်ခွင့်ပြုသည့်အရပ်ဒေသ(များ) ရခိုင်ကမ်းလွန်ဒေသ၊ လုပ်ကွက်အမှတ် A-1

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း အမေရိကန်ဒေါ်လာ ၂၆.၁သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ၂၀၀၀ မှ ၂၀၀၆ ခုနှစ်အထိ

၂၀-၇-၂၀၀၁ နေ့တွင် ပြုလုပ်သည့်ကော်မရှင် အစည်းအဝေးအမှတ်စဉ် ၂၄/၂၀၀၁ဆုံးဖြတ်ချက် အရပြင်ဆင်သည်။

(ည) စုစုပေါင်း မတည်ငွေရင်း ပမာဏ(ကျပ်) အမေရိကန်ဒေါ်လာ ၂၆.၁သန်း နှင့်ညီမျှသောမြန်မာကျပ်ငွေ

(ဋ) ရင်းနှီးမြှုပ်နှံခွင့်ပြုသည့်သက်တမ်း ၁၂ နှစ်

(ဌ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် စီးပွားရေးအဖွဲ့အစည်းအမည် ~~DAEWOO CORPORATION~~

DAEWOO INTERNATIONAL CORPORATION, KOREA GAS CORPORATION (KOGAS) ~~GAS AUTHORITY OF INDIA LIMITED (GAIL)~~, ONGC VIDESH LIMITED, GAIL (INDIA) LIMITED

(ဗိုလ်မှူးကြီးလင်းသော်) အထူးအရာရှိ

ကျော်သော်

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

GOVERNMENT OF THE UNION OF MYANMAR
MYANMAR INVESTMENT COMMISSION
653 / 691, Merchant Street, Yangon.

Our ref : Ya Ka-1/466/2000(1193-M)
Dated 22nd June 2000.

Tel : 272219, 272855
Fax : 095-01-282101

Subject : Decision of the Myanmar Investment Commission on the Proposal for "Exploration and Production of Oil and Gas" under the name of "Daewoo Corporation".

Reference: Ministry of Energy letter No. 008/91/Hta, dated 18-5-2000.

1. The Myanmar Investment Commission, at its meeting 18/2000 held on 2-6-2000 had reviewed the proposal for investment in "Exploration and Production of Oil and Gas" for Block A(1) in Rakhine Offshore Area under the name of "Daewoo Corporation" pursuant to the Production Sharing Contract to be signed between Myanma Oil and Gas Enterprise and Daewoo Corporation of Korea. After careful review, it was deliberated that the proposed project be approved in principle for implementation and the proposal be submitted to the Cabinet meeting for final approval.

2. The Cabinet, at its meeting 22/2000 held on 15-6-2000 resolved to permit the implementation of the said project. Hence, the "Permit" is herewith issued in accordance with Chapter VI, Section 10 of the Union of Myanmar Foreign Investment Law and Chapter VI, Rule 13 of the Procedures relating to the said Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be 5½ years of Exploration, comprising 6(Six) months for study period from the effective date and extendible a period of 2(Two) years (Initial Exploration Period) and then for 3(Three) successive one-year period (one, two and three extension).

4. Daewoo Corporation shall take measure not to disturb and prevent damage to the planned agricultural projects and irrigation projects undertaken by the Ministry of Agriculture and irrigation within the project area. Daewoo Corporation shall also pay appropriate compensation or remedy for any damage to property, land, cultivation or regulation in the course of Exploration and Production of Oil and Gas.

5. Daewoo Corporation shall pay royalty to the Government equal to 10(Ten) percent of the value of Available Petroleum from the Contract Area.

6. Daewoo Corporation shall pay to the amount of US $ 3,000,000 (United States Dollars Three Million Only) as a Signature Bonus within 30(Thirty) days after entering the Second Exploration Period in favour of the Myanmar Oil and Gas Enterprise.

7. Daewoo Corporation shall pay Production Bonus to Myanma Oil and Gas Enterprise with respect to each Crude Oil Development and Production Area as follows.

Production Bonus

Crude Oil

At BOPD	US $
Upon Approval of Development Plan	1,000,000
25,000	2,000,000
50,000	3,000,000
100,000	4,000,000
150,000	5,000,000
200,000	10,000,000

Natural Gas

At (MMCFD)	US $
Upon Approval of Development Plan	1,000,000
300	3,000,000
600	4,000,000
900	5,000,000

8. Profit Split between Myanma Oil and Gas Enterprise and Daewoo Corporation shall be allocated for Development and Products on Area as follow:

Crude Oil

	Water Depths			
	Less than 600 ft		Greater than 600 ft	
BOPD	MOGE (%)	Daewoo Corp. (%)	MOGE (%)	Daewoo Corp. (%)
0 - 25,000	60	40	60	40
25,001 - 50,000	65	35	65	35
50,001 - 100,000	80	20	75	25
100,001 - 150,000	85	15	80	20
>150,000	90	10	90	10

Natural Gas

	Water Depths			
	Less than 600 ft		Greater than 600 ft	
MMCFD	MOGE (%)	Daewoo Corp. (%)	MOGE (%)	Daewoo Corp. (%)
0 - 300	65	35	60	40
> 300	65	35	65	35

9. After the commencement of commercial operation of Crude Oil, Daewoo Corporation shall fulfill as its obligation, 20(Twenty) percent of its Crude Oil toward the supply of the domestic Crude Oil market in Myanmar. Myanma Oil and Gas Enterprise shall pay the price equivalent of 90(Ninety) percent of the value per barrel of Crude Oil in US Dollars.

10. Daewoo Corporation shall provide Training Fund to the amount of US $ 50,000 (United States Dollars Fifty Thousand Only) per annum for Second Exploration Period and US $ 100,000 (United States Dollars One Hundred Thousand Only) per annum for Production Period and shall also provide Research and Development Fund to the amount of 0.5 (Zero Point Five) percent of the Daewoo Corporation share of profit Petroleum in favour of Myanma Oil and Gas Enterprise.

11. Daewoo Corporation shall pay US $ 250,000 (United States Dollars Two Hundred and Fifty Thousand only) as a Data Fee to the Myanma Oil and Gas Enterprise within 30(Thirty) days after the effective date of the Production Sharing Contract.

12. Daewoo Corporation is liable to pay the Government the following tranches out of the Profit made on the sale or transfer of the shares in the Company.

(a) If the amount of Net Profit is up to US$ 100 Million (United States Dollars One Hundred Million only)	40%
(b) If the amount of Net Profit is between US$ 100 Million (United States Dollars One Hundred Million only) and US$ 150 Million (United States Dollars One Hundred and Fifty Million only)	45%
(c) If the amount of Net Profit is over US$ 150 Million (United States Dollars One Hundred and Fifty Million only)	50%

13. In issuing this "Permit" the Commission has granted the following exemptions and reliefs :

(a) As per Section-21(e), Daewoo Corporation shall have the right to pay income-tax payable to the State on behalf of foreigners who have come from abroad and are employed for the project.

(b) As per Section-21(f), the Commission has also approved the right to pay income-tax on the income of the above-mentioned foreigners at the rates applicable to the citizens residing within the country.

(c) As per Section-21(i) and (j), exemption from customs duty and all other internal taxes on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which they are imported as they are actually required, and also on such raw materials imported during the period of exploration.

14. Daewoo Corporation shall have to sign the Production sharing Contract with Myanma Oil and Gas Enterprise. After signing such Agreement, (5) copies each of them shall be forwarded to the Commission.

15. Daewoo Corporation in consultation with the Department of Company Administration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum and Articles of Association shall have to be forwarded to the Commission.

16. Daewoo Corporation shall use its best efforts for timely realization of works stated in the Proposal. If none of such works has been commenced within one year from the date of issue of this "Permit", it shall be become null and void.

17. The official date of operation shall be reported to the Commission.

18. Daewoo Corporation shall endeavour to meet the targets for Exploration and Production of Oil and Gas stated in the proposal as the minimum target.

19. The Commission approves periodical appointments of foreign experts and technicians from abroad as per Proposal Daewoo Corporation shall have to consult with Directorate of Labour, Ministry of Labour for appointment of such foreign experts and technicians.

20. In order to evaluate foreign capital in terms of Kyats and for the purpose of its registration in accordance with the provision under Section-24 of the Union of Myanmar Foreign Investment Law, it is compulsory to report as early as possible in the following manner:-

(a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened;

(b) the detailed lists of the type and value of foreign capital defined under Section-2(h) of the said Law, other than foreign currency, to the Chairman, Foreign Capital Evaluation Sub-Committee.

21. Whenever Daewoo Corporation brings in foreign capital defined under Section-2(h) of the said Law, other than foreign currency in the manner stated in paragraph 20(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

22. After all types of foreign capital (foreign currency and other types of foreign capital) have been brought into Myanmar, a report shall have to be submitted to the Commission as prescribed, vide letter No. Na-Ya 9/101/92(416) dated 3-12-92 [Annexure(1)].

23. Daewoo Corporation shall report to the Commission of any alteration in the physical and financial plan of the project. Cost over-run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

24. Daewoo Corporation shall be responsible for the preservation of the environment at and around the area of the project site. Hence, it shall observe the directive issued by the Commission vide letter No. Ya Ka-1/139/94(0440) dated 30-6-94 [Annexure(2)] to undertake all proper treatment systems and other necessary environmental control systems.

25. Daewoo Corporation shall follow the procedures prescribed by the Commission, vide letter No. Ya Ka-7/408/94(0424) dated 29-6-94 [Annexure(3)] to expedite the clearance of imports of capital and inter-industry use goods brought in as capital investment and raw materials required during the initial 3-year operation period.

26. Payment of principal and interest of the loan (if any) as well as payment for import of raw materials and spare parts etc. shall only be made out of the official foreign exchange earnings of Daewoo Corporation.

27. Daewoo Corporation in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter VIII, Rule 15 of the Procedures relating to the Union of Myanmar Foreign Investment Law.

U Thaung

(U Thaung)
Chairman

Managing Director
Myanma Oil and Gas Enterprise

cc:
1. Office of the Chairman of State Peace and Development Council
2. Office of the State Peace and Development Council
3. Office of the Government of the Union of Myanmar
4. Office of the Strategic Studies, Ministry of Defence
5. Ministry of National Planning and Economic Development
6. Ministry of Finance and Revenue
7. Ministry of Commerce
8. Ministry of Energy
9. Ministry of Foreign Affairs
10. Ministry of Home Affairs
11. Ministry of Immigration and Population
12. Ministry of Labour
13. Ministry of Electric Power

14. Chairman, Committee for Assisting the Myanmar Investment Commission (Governor, Central Bank of Myanmar)
15. Chairman, Foreign Capital Evaluation Sub-Committee (Director General, Central Equipment Statistics and Inspection Department)
16. Director General, Directorate of Investment and Company Administration
17. Director General, Customs Department
18. Director General, Internal Revenue Department
19. Managing Director, Myanma Foreign Trade Bank
20. Managing Director, Myanma Investment and Commercial Bank
21. Managing Director, Myanma Insurance
22. Managing Director, Myanma Electric Power Enterprise
23. Director General, Directorate of Trade
24. Director General, Immigration and National Registration Department
25. Director General, Directorate of Labour
26. Chairman, Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI)